

GUIDELINE ON THE INTERPRETATION OF THE DNV GL SUPPLIER CODE OF CONDUCT

INTRODUCTION

The purpose of the DNV GL Supplier Code of Conduct is to promote ethical, responsible and sustainable conduct in DNV GL supply chain. The sustainability and ethical standards to which DNV GL is committed also extend to our relationships with suppliers. DNV GL is committed to adhering to the principles of the United Nations Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption, and encourage its suppliers to do the same.

DNV GL strives for long-term supplier relationships. DNV GL will communicate the DNV GL Supplier Code of Conduct to suppliers and use it as criteria in the selection of suppliers. Suppliers are expected to be willing to work systematically to improve their performance when needed.

Question from suppliers regarding the DNV GL Supplier Code of Conduct should be directed to the DNV GL person managing the contract with the supplier.

1 NATIONAL LAWS AND REGULATIONS

Fundamental to adopting the DNV GL Supplier Code of Conduct is the understanding that a supplier shall conduct its business in full compliance with the laws, rules and regulations of the countries where it operates. Where such national laws and regulations, to which the organization subscribes, exist and the Code coincides, the highest standard (consistent with applicable local laws) shall be applied.

2 ANTICORRUPTION AND FAIR BUSINESS PRACTICES

Suppliers must conduct their business with honesty and integrity and in compliance with all applicable laws including compliance with all laws prohibiting improper payments, inducements, bribes, fraud, and tax evasion.

2.1 Conflicts of interest

Suppliers shall avoid any interaction with any DNV GL employee that may conflict, or appear to conflict, with that employee acting in the best interests of DNV GL.

2.2 Gifts and hospitality

Suppliers shall not provide any gift, meal, or entertainment to a DNV GL employee in any situation in which it might influence, or appear to influence, any employee decision in relation to the Supplier.

2.3 Bribery and kickbacks

Suppliers to DNV GL shall not engage in any form of commercial bribery or kickback scheme or otherwise offer any incentives to DNV GL representatives or DNV GL representative's family or friends in order to obtain or retain DNV GL business.

Suppliers acting on behalf of DNV GL must be aware of the UK Anti-Bribery Act and the US Foreign Corrupt Practices Act and The Norwegian General Civil Penal Code as well as applicable laws dealing with bribery of government officials and others.

In connection with any transaction related to the manufacture, distribution, or delivery of goods or services to DNV GL, or otherwise involving DNV GL, the supplier must not transfer anything of value, directly or indirectly, to any government official, employee of a government-controlled company, political party, or others, in order to obtain any improper benefit or advantage.

2.4 Accounting and business records

Suppliers must keep accurate records of all matters related to the Supplier's business with and provision of goods and services for and on behalf of DNV GL. Suppliers are expected to promptly, completely, and accurately prepare applicable reports, vouchers, time records, reimbursement requests, and bills.

2.5 Protecting information

Suppliers shall protect the confidential information of DNV GL or DNV GL's customers, and act to prevent its misuse, theft, fraud, or improper disclosure. Suppliers shall take all due care in handling, discussing, or transmitting sensitive or confidential information that could affect DNV GL, its employees, its customers, the business community, or the general public.

2.6 Quality of services

Suppliers must undertake all services professionally and in accordance with agreed rules, standards, methods, and agreements.

2.7 Fair business, advertising and competition

Suppliers shall comply with all applicable requirements for fair business and advertising practices, as well as competition law.

3 HUMAN AND LABOUR RIGHTS

Suppliers shall respect and support the protection of globally recognized human and labour rights and ensure that they are not complicit in human rights abuses. Suppliers should be committed to protecting the health and wellbeing of its employees, treat all employees fairly and with respect, and provide equal opportunities in all aspects of employment.

3.1 Freely chosen employment

There shall be no forced, bonded, or any other forms of involuntary labour. Workers are not required to lodge "deposits" or their identity papers with their employer and shall be free to leave their employer after reasonable notice.

3.2 Freedom of association

Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer shall adopt an open attitude towards the activities of trade unions and their organisational activities.

Workers' representatives shall not be discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

3.3 Health and Safety

The supplier shall provide a safe and hygienic working environment, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by assessing the risks in the working environment. It shall determine the relative significance for each risk, implement appropriate procedures and minimize, as far as is reasonably practicable, the causes of hazards. This also applies to accommodation, where provided by the supplier.

The supplier shall have an effective system to manage Health & Safety according to internationally recognized principles for Health and Safety management systems, such as OHSAS 18001. Key elements of management systems are described in section 5 "Management System". This does not apply to small sized companies.

3.4 Child labour

Suppliers shall establish robust age-verification mechanisms as part of the recruitment process.

The supplier shall not engage in or support the use of child labour as defined below.

Additionally, all young workers must be protected from performing any work at night or work that is likely to be hazardous. Suppliers should also comply with all laws and regulations governing child labour and apprenticeship programs.

If the Supplier, in order to comply with this requirement will have to dismiss children, special care is to be taken, as they can move into more hazardous employment such as prostitution or drug trafficking. When removing children from the workplace, suppliers shall identify measures to ensure the protection of affected children.

Definitions:

Child: Any person under 15 years of age, unless the minimum age for work or mandatory schooling is higher by local law, in which case the stipulated higher age applies in that locality.

Child labour: Any work performed by a child younger than the age(s) specified in the above definition of a child.

Young worker: Any worker under the age of 18 but over the age of a child, as defined above.

3.5 Wages and benefits

The supplier shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable).

All workers shall be provided with written and understandable information about their employment conditions in respect to wages, before they enter employment, and about the particulars of their wages for the pay period concerned each time that they are paid.

All overtime shall be compensated for, either reimbursed at a premium rate or included in base salary as defined by national law or established by a collective bargaining agreement.

The supplier shall not make deductions from wages for disciplinary purposes. Exception to this rule applies only when both of the following conditions exist:

- a) Deductions from wages for disciplinary purposes are permitted by national law and
- b) A freely negotiated collective bargaining agreement is in force that permits this practice

3.6 Working hours

The supplier shall comply with applicable laws, collective bargaining agreements (where applicable), and industry standards on working hours, breaks and public holidays. The normal work week, excluding overtime, shall not exceed 48 hours.

Personnel shall be provided with at least one day off following every six consecutive days of working. Exceptions to the above apply only where both of the following conditions exist:

- a) National law allows to exceed this limit and
- b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods (e.g. offshore rotations etc.)

All overtime work shall be voluntary, except as provided in the section below, shall not exceed 12 hours per week and shall not be requested on a regular basis.

In cases where overtime work is needed in order to meet short-term business demand and the supplier is party to a freely negotiated collective bargaining agreement representing a significant portion of its workforce, the supplier may require such overtime work in accordance with such agreement. Any such agreement must comply with the other requirements of this section.

3.7 Discrimination

There shall be no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age, or any other condition that could give rise to discrimination.

3.8 Regular employment

To every extent possible, work performed must be on the basis of recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

3.9 Humane treatment

Suppliers shall ensure that employees are treated with dignity and respect. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, and verbal abuse or other forms of intimidation shall be prohibited.

4 ENVIRONMENT

Suppliers shall apply a precautionary approach to environmental matters and shall work to minimize negative environmental impact from its operations, products and activities.

Suppliers shall comply with existing legislation and regulations regarding the protection of the environment.

Suppliers shall have an effective environmental policy, procedure, and management system in place to ensure that its operations are managed ecologically and in a sustainable way.

The management system shall be based on internationally recognized principles for environmental management, such as ISO 14001 (this does not apply to subcontractors with a smaller size (below 50 employees)).

Suppliers shall take necessary measures to prevent pollution, to conserve and use rationally the natural resources required for its operations, and implement relevant emergency response plans and procedures.

4.1 Air emissions

Suppliers shall identify, manage, reduce, and responsibly control air emissions, including greenhouse gas emissions, emanating from its operations that pose a hazard to the environment.

4.2 Natural resource consumption

Suppliers shall reduce energy, water, and natural resource consumption by implementing conservation and substitution measures.

4.3 Waste management

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of waste.

Suppliers are encouraged to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

Suppliers shall systematically evaluate its environment performance through appropriate audits and report progress.

5 MANAGEMENT SYSTEM

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code and adapted to the Supplier's size and complexity of operations. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and

mitigation of operational risks related to this Code. It should also facilitate continuous improvement. The management system shall contain the following elements:

Company Commitment: A corporate social and environmental responsibility policy statements affirming Supplier's commitment to compliance and continuous improvement endorsed by executive management and posted in the facility in the local language

Management Accountability and Responsibility: The supplier clearly identifies senior executives and company representatives responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

Legal and Customer Requirements: A process to identify, monitor, and understand applicable laws, regulations, and customer requirements, including the requirements of this Code

Risk Assessment and Risk Management: A process to identify the legal compliance, environmental, health and safety, and labour practice and ethics risks associated with Supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance

Improvement Objectives: Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives

Training: Programs for training managers and workers to implement the supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements

Communication: A process for communicating clear and accurate information about the supplier's policies, practices, expectations and performance to workers, Suppliers, and customers

Worker Feedback and Participation: On-going processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement

Audits and Assessments: Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility

Corrective Action Process: A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews

Documentation and Records: Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy

The requirements set out above in this clause shall not apply to small sized companies and to subcontractors with a smaller size (below 50 employees) or a single person company or a single person (freelancer) that shall work under the DNV GL management system.

6 SUPPLY CHAIN

Suppliers shall have a process to communicate requirements equivalent to this Supplier Code of Conduct to their suppliers and to monitor its compliance to these requirements.

7 MONITORING AND RIGHTS TO AUDIT

DNV GL reserves the right to carry out audits of its suppliers. Audits can also be made by an independent third party. The supplier shall participate in these on-site audits and provide unhindered access to the supplier's facilities, records, employees for confidential interviews, and accommodation provided by the supplier, if any.

In cases where suppliers do not meet the expectations of this Code, DNV GL expects its suppliers to be willing to work systematically to improve their performance. When needed, audits will be followed by dialogue with the suppliers to agree on realistic action plans. Violations of the code and unwillingness to improve will give DNV GL the right to termination of contracts.

8 REPORTING MISCONDUCT

Suppliers who believe that a DNV GL employee, or anyone acting on behalf of DNV GL, has engaged in illegal or otherwise improper conduct, should report the matter to DNV GL. Suppliers should similarly report any potential violation of this Code. Reports may be made through DNV GL's internal or external Ombudsman. Contact details are published on our website. A suppliers' relationship with DNV GL will not be affected by an honest report of potential misconduct.